2007 MODEL ANNUAL NOTICE OF CHANGE
MA-PD

[NOTE: This document must also be sent to all new members who enroll in a plan between October 31st and December 31st.]

Dear [*member name*] - or - [*Member*]:

[*Note: The organization may modify this introductory paragraph to tailor to its needs, as long as the paragraph is kept brief.*] This is the time of year when we like to thank you for your membership and inform you of new plan changes for the upcoming year. Beginning January 1, 2007, there will be some changes to [*insert plan name*]. The following changes are described in this letter:

- How will my monthly premium change for <year>?
- How will my prescription drug coverage change for <year>?
- What if my drugs are know longer on the formulary or are in a more expensive tier in <year>?
- What do I need to know if I'm receiving extra help from Medicare to pay for my prescription drugs?
- How will my other benefits and costs change for <year>?
- Are there other benefits I can get? [*insert if applicable*]
- When I change from one Medicare health plan to another?

How will my monthly premium change for <year>?

Starting January 1, <year>, the monthly premium that you pay to [insert plan name] will *[<increase/decrease> from $<xx.xx> to $<xx.xx>]* [*stay the same at $ <xx.xx>*.] This monthly premium includes your Medicare prescription drug coverage premium.

Note: If you qualify for extra help, please refer to the section that discusses receiving extra help from Medicare to pay for prescription drugs.

How will my prescription drug coverage change *for <year>?*

We have also enclosed a <year> Summary of Benefits and a formulary that will be effective January 1, <year>. Medicare has reviewed and approved the covered drugs listed in the formulary. We have changed our formulary. We have added, removed or placed additional limitations on some of the drugs we cover. Please review the formulary to see if we still cover the drugs you currently take. *[If including a complete formulary, use the following language: "The enclosed formulary can also be found on our <formulary web site> or you can call <customer/member> service if you need any assistance locating a particular drug."] [If including an abridged formulary, use the following language: "To get a complete listing of all the drugs we cover, you can visit our <formulary web site> or call <customer/member telephone> service."*]

[*Plans not continuing approved exception requests into a subsequent plan year for renewing enrollees must add the following language if those enrollees are not otherwise notified in writing that the exceptions will not continue into the subsequent plan year: "If you received approval for a formulary or tiering exception request during the 2006 plan year, coverage for the drug approved under the exception will end on December 31, 2006."*]

What if my drugs are no longer on the formulary or are in a more expensive tier in <year>?

If we no longer cover your drugs or your drug has moved to a more expensive tier, you will need to talk to your doctor about appropriate alternative therapies available on our new formulary. [*If there are no appropriate alternative therapies on our formulary, you or your doctor can request a formulary or tiering exception by <insert date>. Refer to the enclosed <plan> formulary for exception filing instructions. If approved, we will begin covering your drug starting on January 1st.][Beginning January 1, you will get a temporary supply of the drug but you will need to talk to your doctor about switching to a covered drug, or request a formulary exception if we no longer cover your drug(s).*]

[*Clearly describe how your Medicare Part D coverage changes from your prior year drug coverage, including changes in cost sharing, annual drug cap, and drug coverage. Also describe any drug coverage offered in the current year that will no longer be offered by the plan in the upcoming year. When describing changes, do so by comparing the current year benefit with the upcoming year benefit. This information may be clearer to beneficiaries in table format*]

What do I need to know if I'm receiving extra help from Medicare to pay for my prescription drugs?

If you continue to qualify for the same amount of help next year, the table below tells you how your prescription costs will change.

If you pay this much this year [insert year]	You will pay this much next year [insert year]
$0 deductible	$0 deductible
$50 deductible	$53 deductible
$1 for generics and brands that are treated as generics $3 for brand name drugs	$1 for generics and brands that are treated as generics $3.10 for brand name drugs
$2 for generics and brands that are treated as generics $5 for brand name drugs	$2.15 for generics and brands that are treated as generics $5.35 for brand name drugs
15% co-insurance for all drugs	15% co-insurance for all drugs

If you qualify for extra help, you pay $0 or a reduced monthly premium. If you continue to qualify for the same amount of extra help next year, the table below tells how much your will pay for a monthly premium. (This does not include any Medicare Part B premium you may have to pay.)

Your level of extra help	**Monthly Premium for <Plan Name>**
100%	$<xx.xx>
75%	$<xx.xx>
50%	$<xx.xx>
25%	$<xx.xx>

You may receive (or may have received) a letter from Medicare or the Social Security Administration (SSA) about your eligibility for extra help in 2007. Read this important information carefully. (If you don't know what level of extra help you qualify for, you can call 1-800-MEDICARE (1-800-633-4227) for this information. TTY/TDD users should call 1-877-486-2048. They are available 24 hours a day, 7 days a week.)

[*As an enhanced benefit, <plan> offers additional coverage on some prescription drugs not normally covered in a Medicare Prescription Drug Plan. If you receive extra help from Medicare in paying for your drugs, you will NOT receive this extra help for these particular drugs. Please refer to the enclosed formulary to see which drugs are covered by the enhanced benefit. Your co-pay/co-insurance amounts for these drugs are listed in the enclosed Summary of Benefits.*]

How will my other benefits and costs change for <year>?

In addition to the Medicare prescription drug coverage that will be part of your plan, the following changes will occur in your coverage. [*Clearly describe all other benefit changes, including changes in cost sharing and any new benefits that will be offered by the plan in the coming year or that will be covered by Medicare. Also describe any benefits offered in the current year that will no longer be offered by the plan in the upcoming year. When describing benefit changes, do so by comparing the current year benefit with the upcoming year benefit. For consistency, list the benefit changes in order of the Summary of Benefits. This information may be clearer to beneficiaries in table format*]

We have enclosed a summary of your benefits, premiums, and cost sharing that will be effective January 1, <year>. Medicare has reviewed and approved the changes in benefits, premiums, and other costs included in this letter and on the enclosed Summary of Benefits. We will send you an [*insert: "Evidence of Coverage" or whichever name you use as the name for the EOC*] [*insert either "by [date]" if you are sending earlier that January 31, <year> or "by January 31, <year>"*]. All changes begin January 1, <year>, and will be in effect through December 31, <year>, except for those formulary changes that decrease cost or increase safety. Rest assured that you will be a member of [*insert plan name*] for the coming year if you do nothing to change your Medicare coverage.

[If the organization lists more than one plan offering on the enclosed SB, the organization must identify the specific plan in which the member will be enrolled. In addition, if the organization lists only one plan in the SB but offers multiple plans in the service area, the ANOC must notify beneficiaries that additional plans are available and include specific information on how beneficiaries can obtain more information.]

Are there other benefits I can get?

[*Include this section if the plan offers optional supplemental benefits.]*
[Clearly describe any optional supplemental benefits and the premiums for those benefits. A description of the process that the member must follow to elect optional supplemental benefits must also be included.]

When can I change from one Medicare health plan to another?

There are several types of Medicare coverage that people with Medicare can choose. These include coordinated care plans such as [*insert name of plan*] and the Original Medicare Plan.

There are limits on when and how often you can change the way you get Medicare. Switching from one plan (like [*name of plan*]) to [*one of the other plans that we offer*], or to a plan offered by another organization, counts towards making a change. If you have Medicare and Medicaid coverage from [*include Medicaid State Agency*], you can change to another plan at any time. If you live in a long-term care facility like a nursing home you may also change to another plan at any time.

1. **From November 15, 2006, through December 31, 2006**, anyone with Medicare will have an opportunity to switch from one way of getting Medicare to another.

2. **From January 1, 2007, through March 31, 2007**, anyone with Medicare, (including members of [*Plan Name*]), has another chance to make a change in the way they get Medicare. However, during the period between from January 1 and March 31 you are limited in the type of plan you can join. You can't add or drop Medicare prescription drug coverage during this time. For example, if you have Medicare prescription drug coverage, you can only choose to join another plan that offers Medicare prescription drug coverage, or choose to return to the Original Medicare Plan and join a Medicare Prescription Drug Plan. If you don't have Medicare prescription drug coverage, you can't use this chance to get it.

3. Generally, you can't make any other changes during the year unless you meet special exceptions, such as if you move out of the plan's service area or if you have both Medicare and Medicaid coverage.

Note: If you join another Medicare plan, including a Medicare Prescription Drug Plan, you will be disenrolled from our plan when your enrollment in the new plan begins.

If you leave your current plan and do not join a plan that offers Medicare prescription drug coverage or a Medicare Prescription Drug Plan, and you do not have prescription drug coverage that is at least as good as the basic Medicare prescription drug benefit, you may have to pay a penalty if you decide to join later. This means your monthly premium will be higher.

Where can I get more information?

Please call our Member Services Department [*insert days and hours of operation*], at [*insert phone number*] if you have any questions. TTY/TDD users should call [*insert TTY/TDD phone number*].

You can contact us if you need additional information, including:

- How we control the use of services and costs;
- The number of appeals and grievances filed by our members;
- A summary description of how we pay our doctors; or
- A description of our financial condition, including a summary of our most recent audit statement.

You can also get information about the Medicare Program and Medicare health plans by visiting www.medicare.gov on the web or by calling 1-800-MEDICARE (1-800-633-4227). TTY/TDD users should call 1-877-486-2048. Medicare customer service representatives are available 24 hours a day, seven days a week, to answer questions about Medicare.

We look forward to serving you now and in the future.

Sincerely,
Plan Representative